

HOUSE BILL NO. 141

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES SPOHNHOLZ, Edgmon

Introduced: 3/20/21

Referred: House Special Committee on Ways and Means, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an appropriation limit; relating to the budget responsibilities of the**
2 **governor; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 37.05.540(b) is amended to read:

5 (b) Except for appropriations to the permanent fund or for Alaska permanent
6 fund dividends, appropriations to the budget reserve fund, appropriations of revenue
7 bond proceeds, appropriations required to pay the principal and interest on general
8 obligation bonds, **appropriations for school bond debt reimbursement under**
9 **AS 14.11.100, appropriations to meet a state of disaster declared by the governor**
10 **as prescribed by law,** and appropriations of money received from a nonstate source in
11 trust for a specific purpose, including revenue of a public enterprise or public
12 corporation of the state that issues revenue bonds, appropriations from the mental
13 health trust settlement income account (AS 37.14.036), and appropriations made to the
14 mental health trust fund (AS 37.14.031), appropriations from the treasury made **for**

[IN] a fiscal year may not exceed the average of the appropriations made in the three fiscal years immediately preceding the fiscal year, adjusted by a percentage equal to the average annual change in population or the average annual change in inflation in the preceding three calendar years, whichever is greater [PRECEDING FISCAL YEAR BY MORE THAN FIVE PERCENT PLUS THE CHANGE IN POPULATION AND INFLATION SINCE THE BEGINNING OF THE PRECEDING FISCAL YEAR]. For purposes of applying this limit an appropriation is considered to be made in the fiscal year in which it is enacted and a reappropriation remains attributed to the fiscal year in which the original appropriation is enacted. The determination of the change in population for purposes of this subsection must [SHALL] be based on an annual estimate of population by the Department of Labor and Workforce Development. The determination of the change in inflation for purposes of this subsection must [SHALL] be based on the Consumer Price Index for Urban Alaska [ALL URBAN CONSUMERS FOR ANCHORAGE] prepared by the United States Department of Labor, Bureau of Labor Statistics. The amount of money received by the state that is subject to the appropriation limit includes the balance in the general fund carried forward from the preceding fiscal year.

* **Sec. 2.** AS 37.07.020 is amended by adding a new subsection to read:

(f) In addition to the budget and bills submitted under (a) of this section and the fiscal plan submitted under (b) of this section, the governor shall submit a report with a calculation of appropriations in the budget prepared under (a) of this section as applied to the appropriation limit under AS 37.05.540. The governor shall update the report upon submission of the governor's supplemental appropriation bills and the governor's budget amendments in accordance with the time limits prescribed in AS 37.07.070.

* **Sec. 3.** AS 37.05.540(e) is repealed.

* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Sections 1 and 2 of this Act apply to appropriations that take effect during or after the fiscal year ending June 30, 2023.

1 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 TRANSITION: CALCULATION OF AVERAGE OF APPROPRIATIONS. For the
4 fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025, to determine the average
5 of the appropriations made in the three fiscal years immediately preceding the fiscal year
6 under AS 37.05.540(b), as amended by sec. 1 of this Act, appropriations in prior fiscal years
7 for school bond debt reimbursement under AS 14.11.100 and appropriations made to meet a
8 state of disaster declared by the governor as prescribed by law shall be excluded from the
9 prior year appropriations.

10 * **Sec. 6.** This Act takes effect July 1, 2021.